

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Township of Ishpeming, Michigan	County Marquette
Audit Date 3/31/04	Opinion Date 6/7/04	Date Accountant Report Submitted to State: 9/27/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan, as required by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

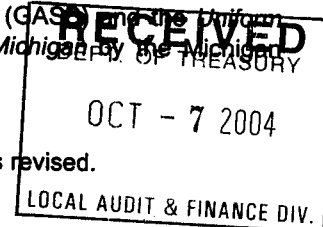
You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ yes ☐ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) Anderson, Tackman & Co, PLLC			
Street Address 102 W. Washington St. Suite 101	City Marquette	State MI	ZIP 49855
Accountant Signature Michael A. Luff CPA			



TOWNSHIP OF ISHPEMING, MICHIGAN
(Marquette)
FINANCIAL STATEMENTS
52-1070
For the Year Ended March 31, 2004

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ANDERSON, TACKMAN & COMPANY, P.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Honorable Supervisor and Members of
the Township Board of Trustees
Township of Ishpeming, Michigan

We have audited the financial statements of the governmental activities, business-type activities, major funds, and remaining fund information, which collectively comprise the basic financial statements of the Township of Ishpeming, Michigan as of and for the year ended March 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit, and the report of the other auditors, provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, major funds and remaining fund information of the Township of Ishpeming, Michigan at March 31, 2004, and the changes in financial position and cash flows, where applicable, of those activities and funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note A, the Township of Ishpeming, Michigan has implemented a new financial reporting model as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – And Management's Discussion And Analysis – For State and Local Governments*, as of March 31, 2004.

The Management's Discussion and Analysis and budgetary comparison information is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Honorable Supervisor and Members of the Township Board of Trustees
Township of Ishpeming, Michigan

In accordance with *Government Auditing Standards*, we have also issued a separate report to management dated June 11, 2004 on our consideration of the Township of Ishpeming, Michigan's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the Township of Ishpeming, Michigan's basic financial statements taken as a whole. The combining and individual fund statements and schedules as listed in the accompanying table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Township of Ishpeming, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the report of the other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

June 11, 2004

Township of Ishpeming, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the Township of Ishpeming's financial performance provides an overview of the Township's financial activities for the year ended March 31, 2004. Please read it in conjunction with the financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

- The Township's net assets were reported for the first time under GASB 34. As such, no comparisons with prior years will be made. In future years, comparative information will be presented in various schedules throughout the MD&A.
- Net assets for the Township as a whole increased by \$169,834 as a result of this year's operations. Net assets of our business-type activities increased by \$104,091 or 2 percent, and net assets of our governmental activities increased by \$65,743, or 3 percent.
- During the year, the Township had expenses for governmental activities that were \$844,295 and expenses for business type activities that were \$459,236.
- The General Fund reported a net fund balance of \$1,010,903. Net income was \$134,332 higher than the forecasted decrease of \$107,259.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 11 and 12) provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements start on page 13. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for the future spending. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's most significant funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the Township as a Whole

Our analysis of the Township as a whole begins on page 7. One of the most important questions asked about the Township's finances is "Is the Township as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Township's *net assets* and changes in them. You can think of the Township's net assets - the difference between assets and liabilities - as one way to measure the Township's financial health, or *financial position*. Over time, *increases or decreases* in the Township's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Township's patron base and the condition of the Township's capital assets, to assess the overall *financial health* of the Township.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

In the Statement of Net Assets and the Statement of Activities, we divide the Township into two kinds of activities:

- **Governmental Activities** – Most of the Township's basic services are reported here, including the legislative, elections, public safety, public works, recreation and culture, community and economic development and general services and administration. Property taxes, charges for services and state sources fund most of these activities.
- **Business-Type Activities** – The Township charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Wastewater Treatment Fund is reported here.

Reporting the Township's Most Significant Funds

Our analysis of the Township's major funds begins on page 7. The fund financial statements begin on page 16 and provide detailed information on the most significant funds – not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township Board establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using taxes, grants, and other money. The Township's two kinds of funds - *governmental* and *proprietary* - use different accounting approaches.

- *Governmental funds* – Most of the Township's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed *short-term* view of the Township's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and Statement of Activities) and governmental *funds* in a reconciliation which follows the fund financial statements.
- *Proprietary funds* – When the Township charges customers for the services it provides – whether to outside customers or to other units of the Township – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Township's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The Township as Trustee

The Township is the trustee, or fiduciary, for assets that – because of a trust arrangement – can be used only for the trust beneficiaries. All of the Township's fiduciary activities are reported in separate Statements of Fiduciary Net Assets on page 20. We exclude these activities from the Township's other financial statements because the Township cannot use these assets to finance its operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The Township as a Whole

Table I provides a summary of the Township's net assets as of March 31, 2004.

Table 1
Net Assets

	Governmental Activities - 2004	Business-Type Activities - 2004	Total Primary Government - 2004
Current and other assets	\$2,041,182	\$1,352,617	\$3,393,799
Capital assets, net	532,125	3,029,756	3,561,881
Total Assets	<u>2,573,307</u>	<u>4,382,373</u>	<u>6,955,680</u>
Current liabilities	19,637	105,024	124,661
Noncurrent liabilities	180,413	-	180,413
Total Liabilities	<u>200,050</u>	<u>105,024</u>	<u>305,074</u>
Net Assets:			
Invested in capital assets, net of related debt	532,125	2,977,651	3,509,776
Restricted	-	-	-
Unrestricted (deficit)	1,841,132	1,299,698	3,140,830
Total Net Assets	<u>\$2,373,257</u>	<u>\$4,277,349</u>	<u>\$6,650,606</u>

Net assets of the Township's governmental activities stood at \$2,373,257. *Unrestricted net assets*—the part of net assets that could be used to finance day-to-day activities without constraints established by debt covenants, enabling legislation, or other legal requirements stood at \$1,841,132.

The \$1,841,132 in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

The net assets of our business-type activities stood at \$4,277,349. The Township can generally only use these net assets to finance continuing operations of the Water System and Sewer System operations.

The results of this year's operations for the Township as a whole are reported in the Statement of Activities (see Table 2), which shows the changes in net assets for fiscal year 2004. Since this is the first year the Township has prepared financial statements following GASB Statement No. 34, revenue and expense comparison to fiscal year 2003 is not available.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

Table 2 Change in Net Assets			
	Governmental Activities - 2004	Business-Type Activities - 2004	Total Primary Government - 2004
Revenues			
Program Revenues:			
Charges for services	\$225,450	\$477,995	\$703,445
Operating Grants and Contributions	-	40,479	40,479
General Revenues:			
Property taxes	257,489	-	257,489
State Sources	333,546	-	333,546
Interest and Miscellaneous	93,553	44,853	138,406
Total Revenues	910,038	563,327	1,473,365
Program Expenses:			
Legislative	6,295	-	6,295
Elections	62	-	62
General Services and Administration	181,497	-	181,497
Public Safety	149,241	-	149,241
Public Works	310,806	-	310,806
Community & Economic Development	7,785	-	7,785
Recreation and Culture	5,593	-	5,593
Other	118,986	-	118,986
Unallocated depreciation	64,030	-	64,030
Water	-	181,466	181,466
Sewer	-	277,770	277,770
Total Expenses	844,295	459,236	1,303,531
Excess (deficiency) before transfers	65,743	104,091	169,834
Transfers	-	-	-
Increase (decrease) in net assets	65,743	104,091	169,834
Net assets, beginning, as restated	2,307,514	4,173,258	6,480,772
Net Assets, Ending	\$2,373,257	\$4,277,349	\$6,650,606

The Township's total revenues were \$1,473,365. The total cost of all programs and services was \$1,303,531, leaving an increase in net assets of \$169,834. Our analysis below separately considers the operations of governmental and business-type activities:

Governmental Activities

The net assets of the Township's governmental activities increased \$65,743 for the year ended March 31, 2004.

The majority of the increase for the governmental activities is due to changes with GASB 34. Therefore we have recorded two extra payments of state revenue sharing.

Business-type Activities

During the year ended March 31, 2004, the net assets of the Township's business type activities increased by \$104,091.

The change in the business type fund is basically a change in the investment values and lower cost of operation.

THE TOWNSHIP'S FUNDS

As the Township completed the year, its governmental funds (as presented in the balance sheet on page 13 reported a *combined* fund balance of \$2,021,545 an increase of \$121,634 from the beginning of the year.

General Fund Budgetary Highlights

Over the course of the year, the Township Board revised the budget a few times.

The reason for not amending the budget was at the end of the year we did not feel it was necessary. However, after year-end we received several accounts payable that put us over budget.

Revenues were \$91,461 greater than our budget. Roughly \$80,000 of this was due to the two extra payments of state revenue sharing. The other, roughly \$11,000 is due to other immaterial differences in all other revenue accounts.

With these adjustments, actual charges to expenditures were \$31,811 more than the final amended budget. Conversely, revenues were \$92,061 more than the final budget projection.

The expenditures were \$43,871 less than over budget. The three major reasons for this was police department wages due to receiving workmen's compensation for several months. We had budgeted \$25,000 for the DPW that was not used because they did not get the planned project done and the third reason is immaterial differences in all other accounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2004, the Township had \$3,561,881 invested in a variety of capital assets including land, buildings, and other equipment. (See table 3 below)

Table 3
Capital Assets at Year-End (Net of Depreciation)

	Governmental Activities - 2004	Business-Type Activities - 2004	Totals - 2004
Land	\$ -	\$ 20,147	\$ 20,147
Land improvements	-	77,691	77,691
Buildings and improvements	275,525	2,913,677	3,189,202
Equipment and furnishings	256,600	18,241	274,841
	<u>\$ 532,125</u>	<u>\$ 3,029,756</u>	<u>\$ 3,561,881</u>

Debt

At year-end, the Township had debt of \$52,105 in the Sewer Fund, \$180,413 in the General Fund. Refer to the footnotes for detail breakout and explanation of the Township Long-Term Debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

In preparing the Township's budgets for year ending 2005, we took last years actual numbers and added a three percent increase across the board. We also have planned for an increase in expenditures due to an addition being added onto the Fire Department and the construction of new bathrooms in the recreation area.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Township of Ishpeming, 1575 U.S. Highway 41 West, Ishpeming, Michigan 49849.

Township of Ishpeming, Michigan

STATEMENT OF NET ASSETS

March 31, 2004

	Primary Government		
	Governmental	Business Type	
	Activities	Activities	Total
ASSETS			
Current Assets:			
Cash and investments	\$ 1,645,103	\$ 1,295,520	\$ 2,940,623
Receivables (net)	367,743	47,246	414,989
Prepaid Expense	28,336	9,851	38,187
TOTAL CURRENT ASSETS	2,041,182	1,352,617	3,393,799
Non-current assets:			
Investment in IAWTF	-	2,330,562	2,330,562
Capital assets	1,666,766	2,407,634	4,074,400
Accumulated depreciation	(1,134,641)	(1,708,440)	(2,843,081)
Total Capital Assets	532,125	3,029,756	3,561,881
TOTAL NON-CURRENT ASSETS	532,125	3,029,756	3,561,881
TOTAL ASSETS	2,573,307	4,382,373	6,955,680
LIABILITIES:			
Current Liabilities:			
Accounts payable	12,083	37,689	49,772
Accrued liabilities	7,554	10,383	17,937
Deferred revenue	-	-	-
Accrued interest	-	4,847	4,847
Current portion of bonds payable	-	52,105	52,105
Other current liabilities	-	-	-
TOTAL CURRENT LIABILITIES	19,637	105,024	124,661
Non-current Liabilities:			
Compensated absences	53,175	-	53,175
Bonds payable	127,238	-	127,238
TOTAL NON-CURRENT LIABILITIES	180,413	-	180,413
TOTAL LIABILITIES	200,050	105,024	305,074
NET ASSETS			
Invested in capital assets net of related debt	532,125	2,977,651	3,509,776
Restricted for:			
Debt Service	-	-	-
Unrestricted	1,841,132	1,299,698	3,140,830
TOTAL NET ASSETS	\$ 2,373,257	\$ 4,277,349	\$ 6,650,606

The accompanying notes are an integral part of these financial statements.

Township of Ishpeming, Michigan

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended March 31, 2004

Function / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business Type Activities
Primary Government:						
Governmental Activities:						
Legislative	\$ 6,295	\$ -	\$ -	\$ -	\$ (6,295)	\$ -
Elections	62	-	-	-	(62)	-
General services and administration	181,497	-	-	-	(181,497)	-
Public safety	149,241	-	-	-	(149,241)	-
Public works	310,806	47,046	-	-	(102,195)	-
Community and economic development	7,785	178,404	-	-	(132,402)	-
Recreation and culture	5,593	-	-	-	(7,785)	-
Other	118,986	-	-	-	(118,986)	-
Unallocated depreciation	64,030	-	-	-	(64,030)	-
Total Governmental Activities	844,295	225,450	-	-	(618,845)	-
Business Type Activities:						
Water System	181,466	177,841	2,163	-	-	(1,462)
Sewer System	277,770	300,154	38,316	-	-	60,700
Total Business Type Activities	459,236	477,995	40,479	-	-	59,238
TOTAL PRIMARY GOVERNMENT	\$ 1,303,531	\$ 703,445	\$ 40,479	\$ -	(618,845)	(559,607)
General Revenues:						
Taxes				257,489	-	257,489
Unrestricted State sources				333,546	-	333,546
Interest and investment earnings				60,929	44,853	105,782
Miscellaneous				32,624	-	32,624
Transfers				-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS				684,588	44,853	729,441
CHANGE IN NET ASSETS						
Net assets, beginning of year, as restated				65,743	104,091	169,834
				2,307,514	4,173,258	6,480,772
NET ASSETS, END OF YEAR	\$ 2,373,257	\$ 4,277,349	\$ -	\$ -	\$ -	\$ 6,650,606

The accompanying notes are an integral part of these financial statements.

Township of Ishpeming, Michigan

GOVERNMENTAL FUNDS

BALANCE SHEET

March 31, 2004

	General Fund	Fire Department Fund	Street Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 839,212	\$ 245,852	\$ 227,715	\$ 332,324	\$ 1,645,103
Receivables	82,822	11,104	-	1,479	95,405
Prepaid expense	22,679	5,657	-	-	28,336
Due from other funds	131,397	118,983	50,000	22,471	322,851
TOTAL ASSETS	\$ 1,076,110	\$ 381,596	\$ 277,715	\$ 356,274	\$ 2,091,695
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	\$ 9,612	\$ -	\$ -	\$ 2,471	\$ 12,083
Accrued payroll and related	7,554	-	-	-	7,554
Due to other funds	48,041	-	2,472	-	50,513
Deferred revenue	-	-	-	-	-
TOTAL LIABILITIES	65,207	-	2,472	2,471	70,150
FUND BALANCE:					
Unreserved:	1,010,903	381,596	275,243	353,803	2,021,545
TOTAL FUND BALANCE	1,010,903	381,596	275,243	353,803	2,021,545
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,076,110	\$ 381,596	\$ 277,715	\$ 356,274	\$ 2,091,695

The accompanying notes are an integral part of these financial statements.

Township of Ishpeming, Michigan

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS**

March 31, 2004

Total Fund Balances for Governmental Funds **\$ 2,021,545**

*Amounts reported for governmental activities in the statement
of net assets are different because:*

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds

Cost of Capital Assets	1,666,766	
Accumulated Depreciation of Assets	<u>(1,134,641)</u>	532,125

Long-term liabilities, including bonds payable, are not due and payable
in the current period and therefore are not reported in the funds.

Current portion of bonds payable	\$ -	
Compensated absences	53,175	
Bonds payable	<u>127,238</u>	(180,413)
NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u>\$ 2,373,257</u>

The accompanying notes are an integral part of these financial statements.

Township of Ishpeming, Michigan

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended March 31, 2004

	General Fund	Fire Department Fund	Street Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	\$ 100,586	\$ 130,479	\$ -	\$ 26,424	\$ 257,489
State sources	333,546	-	-	-	333,546
Charges for services	178,404	47,046	-	-	225,450
Interest	31,400	7,826	9,172	12,531	60,929
Other	12,725	-	-	19,899	32,624
TOTAL REVENUES	656,661	185,351	9,172	58,854	910,038
EXPENDITURES:					
Current operations:					
Legislative	6,295	-	-	-	6,295
Elections	62	-	-	-	62
General services and administration	179,748	-	-	-	179,748
Public safety	42,883	106,358	-	-	149,241
Public works	180,876	-	114,937	30,474	326,287
Health and welfare	-	-	-	-	-
Community and economic development	7,785	-	-	-	7,785
Recreation and culture	5,428	-	-	165	5,593
Other	109,511	-	-	-	109,511
Capital outlay	-	-	-	3,882	3,882
Debt service	-	-	-	-	-
TOTAL EXPENDITURES	532,588	106,358	114,937	34,521	788,404
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	124,073	78,993	(105,765)	24,333	121,634
OTHER FINANCING SOURCES (USES):					
Operating transfers in	-	-	96,000	1,000	97,000
Operating transfers (out)	(97,000)	-	-	-	(97,000)
TOTAL OTHER FINANCING SOURCES (USES)	(97,000)	-	96,000	1,000	-
CHANGE IN FUND BALANCE	27,073	78,993	(9,765)	25,333	121,634
Fund balance, beginning of year, as restated	983,830	302,603	285,008	328,470	1,899,911
FUND BALANCE, END OF YEAR	\$1,010,903	\$ 381,596	\$ 275,243	\$ 353,803	\$ 2,021,545

The accompanying notes are an integral part of these financial statements.

Township of Ishpeming, Michigan

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended March 31, 2004

Net Change in Fund Balances - Total Governmental Funds **\$ 121,634**

*Amounts reported for governmental activities in the statement
of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ -	
Depreciation expense	<u>(64,030)</u>	(64,030)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (7,342)

Repayment of loan principal is an expenditure in the governmental funds but repayment reduces long-term liabilities in the statement of net assets. 15,481

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 65,743**

The accompanying notes are an integral part of these financial statements.

Township of Ishpeming, Michigan

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

March 31, 2004

	Business - Type Activities Enterprise Funds		
	Water System Fund	Sewer System Fund	Total
ASSETS:			
Current Assets:			
Cash and investments	\$ 539,978	\$ 755,542	\$ 1,295,520
Accounts receivable, net	9,370	37,317	46,687
Due from other funds	62	497	559
Prepaid expense	2,266	7,585	9,851
TOTAL CURRENT ASSETS	<u>551,676</u>	<u>800,941</u>	<u>1,352,617</u>
Non-current Assets:			
Investment in IAWTF	-	2,330,562	2,330,562
Capital assets	1,130,175	1,277,459	2,407,634
Accumulated depreciation	(809,145)	(899,295)	(1,708,440)
TOTAL NON-CURRENT ASSETS	<u>321,030</u>	<u>2,708,726</u>	<u>3,029,756</u>
TOTAL ASSETS	<u>\$ 872,706</u>	<u>\$ 3,509,667</u>	<u>\$ 4,382,373</u>
LIABILITIES:			
Current Liabilities:			
Accounts payable	2,532	-	2,532
Accrued liabilities	3,492	6,891	10,383
Due to other funds	19,328	15,829	35,157
Accrued interest payable	-	4,847	4,847
Current portion of long-term debt	-	52,105	52,105
TOTAL CURRENT LIABILITIES	<u>25,352</u>	<u>79,672</u>	<u>105,024</u>
Non-current Liabilities:			
Bond payable	-	-	-
TOTAL NON-CURRENT LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>25,352</u>	<u>79,672</u>	<u>105,024</u>
NET ASSETS:			
Invested in capital assets net of related debt	321,030	2,656,621	2,977,651
Restricted - debt service	-	-	-
Unrestricted	526,324	773,374	1,299,698
TOTAL NET ASSETS	<u>\$ 847,354</u>	<u>\$ 3,429,995</u>	<u>\$ 4,277,349</u>

The accompanying notes are an integral part of these financial statements.

Township of Ishpeming, Michigan

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Fiscal Year Ended March 31, 2004

	<u>Water System Fund</u>	<u>Business - Type Activities Enterprise Funds Sewer System Fund</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for services (net)	\$ 177,841	\$ 300,154	\$ 477,995
Other operating revenue	2,163	1,917	4,080
TOTAL OPERATING REVENUES	180,004	302,071	482,075
OPERATING EXPENSES:			
Operating expenses	150,395	234,325	384,720
Depreciation	31,071	38,872	69,943
TOTAL OPERATING EXPENSES	181,466	273,197	454,663
OPERATING INCOME (LOSS)	(1,462)	28,874	27,412
NON-OPERATING REVENUES (EXPENSES):			
Investment income	15,445	29,408	44,853
Gain (loss) on investment in IAWTF	-	36,399	36,399
Interest expense	-	(4,573)	(4,573)
TOTAL NON-OPERATING REVENUES (EXPENSES)	15,445	61,234	76,679
INCOME (LOSS) BEFORE TRANSFERS	13,983	90,108	104,091
CHANGE IN NET ASSETS	13,983	90,108	104,091
Net assets, beginning of year	833,371	3,339,887	4,173,258
NET ASSETS, END OF YEAR	\$ 847,354	\$ 3,429,995	\$ 4,277,349

The accompanying notes are an integral part of these financial statements.

Township of Ishpeming, Michigan

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended March 31, 2004

	Business-Type Activities Enterprise Funds		
	Water System Fund	Sewer System Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from fees and charges for services	\$ 183,938	\$ 294,638	\$ 478,576
Other operating revenues	2,163	1,917	4,080
Cash payments to employees for services	(68,601)	(60,326)	(128,927)
Cash payments to suppliers for goods and services	(72,630)	(173,954)	(246,584)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	44,870	62,275	107,145
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Cash payments for capital assets	-	-	-
Investment in IAWTF	-	36,399	36,399
Interest payments on bonds	-	(4,573)	(4,573)
Principal payments on bonds	-	(55,841)	(55,841)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	(24,015)	(24,015)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	15,445	29,408	44,853
(Additions) deductions to board designated and restricted assets	45,000	385,362	430,362
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	60,445	414,770	475,215
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	105,315	453,030	558,345
Cash and cash equivalents, beginning of year	434,663	302,512	737,175
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 539,978	\$ 755,542	\$ 1,295,520
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (1,462)	\$ 28,874	\$ 27,412
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	31,070	38,872	69,942
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	6,097	(5,516)	581
(Increase) decrease in prepaid expense	(1,782)	(7,102)	(8,884)
(Increase) decrease in due from funds	5,254	4,546	9,800
Increase (decrease) in accrued interest	(331)	(4,290)	(4,621)
Increase (decrease) in accounts payable	2,532	-	2,532
Increase (decrease) in accrued liabilities	3,492	6,891	10,383
NET ADJUSTMENTS	46,332	33,401	79,733
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 44,870	\$ 62,275	\$ 107,145

The accompanying notes are an integral part of these financial statements.

Township of Ishpeming, Michigan

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

March 31, 2004

	<u>Agency Funds</u>
ASSETS:	
Cash and investments	\$ 266,203
Due from other funds	<u>195</u>
TOTAL ASSETS	<u><u>\$ 266,398</u></u>
LIABILITIES:	
Due to other funds	\$ 237,935
Due to others	<u>28,463</u>
TOTAL LIABILITIES	<u><u>\$ 266,398</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ISHPEMING, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

March 31, 2004

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Township have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant of these accounting policies established in GAAP and used by the Township are described below.

(1) REPORTING ENTITY

The Township's financial statements present the Township (the primary government). In evaluating the Township as a reporting entity, management has addressed all potential component units (traditionally separate reporting units) for which the Township may or may not be financially accountable and, as such, be includable within the Township's financial statements.

(2) BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The Township's basic financial statements include both government-wide (reporting the Township as a whole) and fund financial statements (reporting the Township's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Township's legislative, public works, public safety, community and economic development, recreation and culture and general services and administration are classified as governmental activities. The Township's Wastewater Treatment Facility is classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Township's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Township first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Township's functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

The government-wide focus is more on the sustainability of the Township as an entity and the change in the Township's net assets resulting from the current year's activities. For the most part, the effect of interfund activities has been removed from these statements.

(3) BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS:

The financial transactions of the Township are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Township:

Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Township programs. The agency fund is custodial in nature and does not present results of operations or have a measurement focus.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The Township reports the following major governmental funds:

- The **General Fund** is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Fire Fund** accounts for the activity related to the Fire Department.
- The **Street Improvement Fund** accounts for the maintenance of the Townships Streets.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

The Township reports the following major proprietary funds:

- The **Sewer System Fund** accounts for the management of wastewater treatment services including billing, maintenance and construction.
- The **Water System Fund** accounts for the management of water treatment services, including billing , maintenance and construction.

The Township's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the Township, these funds are not incorporated into the government-wide statements.

(4) BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

All proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified basis of accounting, revenues are recorded when they are both measurable and available. "Available" means collectible within the current period or within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. However, debt service expenditures, compensated absences, and claims and judgments are recorded only when payment is due.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

FINANCIAL STATEMENT AMOUNTS

Budgets and Budgetary Accounting – The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Township Supervisor submits to the Township Board of Trustees a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Numerous opportunities exist for public comment during the budget process including at least two formal public hearings conducted at the Township Hall to obtain taxpayer comment.
- c. Pursuant to statute, prior to March 31 of each year the budget for the ensuing year is legally enacted through adoption of an Annual General Appropriations Act.
- d. The general statute governing Township budgetary activity is the State of Michigan Uniform Budgeting and Accounting Act. In addition to the provisions of the said Act and Board policy, general statements concerning the Board's intent regarding the administration of each year's budget are set out in the Annual General Appropriations Act. The Township Board of Trustees, through policy action, specifically directs the Supervisor not to authorize or participate in any expenditure of funds except as authorized by the Annual General Appropriations Act. The Board recognized that, in addition to possible Board sanctions for willful disregard of this policy, State statutes provide for civil liability for violations of the Annual General Appropriations Act.
- e. The Supervisor is authorized by means of Township policy to make certain transfers:
 1. The Supervisor receives a request for a budget transfer from the head of the department whose budget is to be affected. Such request must specify the necessity for the transfer, the account name and/or groups(s) and amount to be affected within prescribed limitations. Transfers in excess of those limitations must be approved by the Board of Trustees.
 2. The following considerations must be reviewed in determination of transfer approvals.
 - a. Are the transfers consistent with the intent of the Board of Trustees in adopting the annual budget?
 - b. Will the transfer maintain the financial integrity of the Township?

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

c. Will the transfer provide a reasonable solution to the departmental operating problem?

Considering the above, the Supervisor will then decide whether or not the transfer should be made.

Supplemental appropriations are submitted to and reviewed by the Supervisor and submitted to the Township Board of Trustees for their review and approval. If approved, they are implemented by the Supervisor through a budget revision.

- f. The Township adopts its Annual Budget on a departmental basis. At each level of detail, governmental operations are summarized into expenditure account groups. Funding sources are also identified and adopted at each level of detail. Budgetary control exists at the most detailed level adopted by the Board of Trustees, i.e., department for analytical purposes. A detailed line item breakdown is prepared for each program. Accounting, i.e., classification control, resides at the line item detail level.
- g. Budgets for the General Funds were adopted in substance on an accrual basis which is consistent with generally accepted accounting principles. Budgeted amounts as reported in the Financial Report are as originally adopted and/or amended by the Township Board of Trustees.

Cash Equivalents and Investments - For the purposes of balance sheet classification and the statement of cash flows, cash and equivalents consist of demand deposits, cash in savings, money market accounts and short-term certificates of deposit with original maturity of three months or less. Investments are carried at fair value.

Capital Assets – Capital assets, which include property, plant, equipment and infrastructure assets (e.g. streets, bridges, and sidewalks), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their fair value on the date donated. Depreciation on all exhaustible capital assets is charged as an expense against their operations in government-wide statements and proprietary financial statements. Accumulated depreciation is reported on government-wide and proprietary statement of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Land improvements	15 years
Building, structures and improvements	40 years
Equipment	5 years
Water and Sewage System	20-50 years
Vehicles	5 years
Infrastructure	20-50 years

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Long-Term Liabilities: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities or proprietary fund type statement of net assets. In the fund financial statements, the face amount of debt issued is reported as other financing sources.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reporting of certain assets, liabilities, revenues, and expenditures. Actual results may differ from estimated amounts.

Property Taxes – Property taxes are levied as of December 1 of each year and are due by the last day of the following March. The taxes are collected by the local unit and periodically remitted to the third parties during the collection period.

Deferred Revenues – Deferred revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

Interfund Activity – Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a result of the reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Implementation of New Accounting Principles – In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis-for State and Local Governments* (GASB No. 34). Certain of the significant changes in the Statement include the following:

- For the first time the financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Township's overall financial position and results of operation's.
- Financial statements prepared using full accrual accounting for all of the Township's activities, including infrastructure (e.g. streets, bridges and sidewalks)

- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). There was no current year additions to infrastructure to be reported in these financial statements.

NOTE B – DEPOSITS AND INVESTMENTS:

The composition of cash and investments as reported in the combined balance sheet is presented below:

	Primary Government	Fiduciary Funds	Total
Cash and Investments:			
Unrestricted	\$2,940,623	\$266,203	\$3,206,826
Restricted	-	-	-
TOTAL	<u>\$2,940,623</u>	<u>\$266,203</u>	<u>\$3,206,826</u>
Composition of Balances:			
Cash in banks	\$ 8,696	\$ -	\$ 8,696
Certificates of Deposit (Money Market)	2,931,327	266,203	3,197,530
Imprest cash	600	-	600
TOTAL	<u>\$2,940,623</u>	<u>\$266,203</u>	<u>\$3,206,826</u>

Act 196, PA 1997, authorized the Township to deposit and invest in:

- a. Bonds, securities, and other direct obligations of the United States or its agencies.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations or credit unions insured by the National credit union administration that are eligible to be depository of surplus money belonging to the State under Section 5 or 6 of Act 105, PA 1855, as amended (MCL 21.145 and 21.146).
- c. Commercial paper rated at time of purchase within the two highest classifications established by not less than two standard rating services. Maturity cannot be more than 270 days after purchase.
- d. United States government or Federal agency obligation repurchase agreements.
- e. Banker's acceptance of United States banks.
- f. Mutual funds composed of investments which are legal for direct investments by local units of government in Michigan.
- g. Obligation of the State of Michigan or its political subdivisions which are rated investment grade.
- h. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

Deposits

At year-end, the carrying amount of the Township's deposits was \$8,696 and the bank balance was \$27,364. Of the bank balance, \$27,364 was covered by federal depository insurance according to FDIC regulations.

These deposits are in various financial institutions in varying amounts. All accounts are in the name of the Township and specific funds. They are recorded in Township records at cost. Interest is recorded when the deposits mature or is credited to the applicable account.

Michigan law prohibits security in the form of collateral, surety bond, or another form for the deposit of public money.

NOTE C – INTERFUND BALANCES:

A summary of interfund receivable and payables are:

<u>Fund</u>	<u>Receivable</u>	<u>Fund</u>	<u>Payable</u>
PRIMARY GOVERNMENT:			
General	\$131,397	Water	\$19,328
		Sewer	15,829
		Fiduciary Funds	96,240
Fire	118,983	General	318
		Fiduciary Fund	118,665
Street Improvement	47,528	General	47,528
Nonmajor Special Revenues	<u>22,471</u>	Fiduciary Fund	<u>22,471</u>
	<u>\$320,379</u>		<u>\$320,379</u>

NOTE D – CAPITAL ASSETS:

A summary of the capital assets of the Governmental Activities is as follows:

	<u>Balance at April 1, 2003</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at March 31, 2004</u>
GOVERNMENTAL ACTIVITIES:				
Land	\$ -	\$ -	\$ -	\$ -
Total Capital Assets, not being depreciated	\$ -	\$ -	\$ -	\$ -
Buildings and improvements	618,000	-	-	618,000
Furniture and equipment	<u>1,048,766</u>	-	-	<u>1,048,766</u>
Total Capital Assets, being depreciated	<u>1,666,766</u>	-	-	<u>1,666,766</u>
Less Accumulated Depreciation:				
Buildings and improvements	(327,025)	(15,450)	-	(342,475)
Furniture and equipment	<u>(743,586)</u>	<u>(48,580)</u>	-	<u>(792,166)</u>
Total Accumulated Depreciation	<u>(1,070,611)</u>	<u>(64,030)</u>	-	<u>(1,134,641)</u>
Governmental Activities Capital Assets, Net	<u>\$ 596,155</u>	<u>(\$64,030)</u>	<u>\$ -</u>	<u>\$ 532,125</u>

Depreciation expenses for the governmental activities was charged to the following functions and activities of the primary government:

Unallocated Depreciation \$64,030

A summary of changes in business-type activities capital assets is as follows:

	<u>Balance at April 1, 2003</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at March 31, 2004</u>
BUSINESS-TYPE ACTIVITIES:				
Land	\$ 243,567	\$ -	\$ -	\$ 243,567
Investment in Treatment Facility	<u>2,294,163</u>	<u>36,399</u>	-	<u>2,330,562</u>
Total Capital Assets, not being depreciated	<u>2,537,730</u>	<u>36,399</u>	-	<u>2,574,129</u>
Buildings and improvements	2,046,800	-	-	2,046,800
Equipment	<u>117,267</u>	-	-	<u>117,267</u>
Total Capital Assets, being depreciated	<u>2,164,067</u>	-	-	<u>2,164,067</u>
Less Total Accumulated Depreciation	<u>\$(1,671,497)</u>	<u>\$(36,943)</u>	-	<u>\$(1,708,440)</u>
Business Type Activities Capital Assets, Net	<u>\$3,030,300</u>	<u>\$ (544)</u>	<u>\$ -</u>	<u>\$ 3,029,756</u>

NOTE D – CAPITAL ASSETS (Continued):

Depreciation expense for the business-type activities was charged to the following functions and activities of the primary government:

Business-Type Activities:	
Water System	\$31,071
Sewer System	<u>38,872</u>
Total Depreciation Expense – Business-Type Activities	<u>\$69,943</u>

NOTE E – LONG-TERM DEBT:

SCHEDULE OF MARQUETTE COUNTY SOLID WASTE MANAGEMENT BONDS
March 31, 2004

	November 1	May 1		
	<u>Interest</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2005	\$ 3,885	\$ 4,337	\$ 16,933	\$ 25,155
2006	3,362	3,861	18,384	25,607
2007	2,322	3,338	20,320	25,980
2008	1,754	2,310	21,770	25,834
2009	653	1,742	23,706	26,101
2010	-	652	26,125	26,777
TOTALS	<u>\$11,976</u>	<u>\$16,240</u>	<u>\$127,238</u>	<u>\$155,454</u>

The Township of Ishpeming is obligated to reimburse Marquette County Solid Waste Management Authority a proportional share of the debt service costs associated with bonds issued to construct the Solid Waste Disposal System located in Marquette County. A schedule of the Township's required payments is as follows:

	<u>April 1, 2003</u>	<u>Additions</u>	<u>Subtractions</u>	<u>March 31, 2004</u>
Governmental Activities:				
Landfill Bond	<u>\$142,719</u>	\$ -	<u>\$15,481</u>	<u>\$127,238</u>
Total Governmental Activities	<u>\$142,719</u>	<u>\$ -</u>	<u>\$15,481</u>	<u>\$127,238</u>
Business-Type Activities:				
This debt represents the Township's share of the Bond to form the joint venture in the Ishpeming Area Wastewater Treatment Facility. (Final Year – Payment Due in FY 2005)	<u>107,946</u>	-	<u>55,841</u>	<u>52,105</u>
Total Business-Type Activities	<u>107,946</u>	-	<u>55,841</u>	<u>52,105</u>
TOTAL PRIMARY GOVERNMENT LONG-TERM DEBT	<u>\$250,665</u>	<u>\$ -</u>	<u>\$71,322</u>	<u>\$179,343</u>

NOTE F – PROPERTY TAXES:

The Local Governmental Unit property tax is levied on each December 1st on the taxable valuation of property (as defined by State statutes) located in the Local Governmental Unit as of the preceding December 31st.

Although the Local Governmental Unit 2003 ad valorem tax is levied and collectible on December 1, 2003, it is the Local Governmental Unit's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60) days.

NOTE F – PROPERTY TAXES (Continued):

The 2003 taxable valuation of the Local Governmental Unit totaled \$62,193,829, on which ad valorem taxes levied consisted of 1.2601 mills for the Local Governmental Unit operation purposes 2.000 mills for Fire Department Services and .4000 mills for street lighting. These amounts are recognized in the respective fund financial statements as revenue.

NOTE G – INTERFUND TRANSFERS IN/OUT:

	<u>Transfer In</u>		<u>Transfer Out</u>
Street Improvement Fund	\$96,000	General Fund	\$97,000
Non-major Special Revenue	<u>1,000</u>		<u> </u>
TOTAL REPORTING ENTITY	<u>\$97,000</u>	TOTAL REPORTING ENTITY	<u>\$97,000</u>

NOTE H – OTHER POST EMPLOYMENT BENEFITS:

The Township of Ishpeming offers group benefit health insurance coverage under various collective bargaining agreements covering substantially all employees and former employees of the Township. This benefit is accounted for on the pay-as-you-go method, whereby the Township is reporting the amounts paid as expenditures in the year the amount is paid for the benefit provided. The amount paid for employees for the period ended March 31, 2004 was \$-0-

NOTE I – CONTINGENT LIABILITIES:

Risk Management - The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained commercial insurance to handle its risk of loss.

NOTE J – PENSION TRUST FUND:

The Township has a pension plan for its all full time employees. This plan is a defined contribution pension plan for Michigan Township Employees. Each employee shall be eligible to participate in the Plan upon attaining age 18 and not more than age 75. There is no minimum service requirement. The Township contributes 8.5% of the employees annual salary to the Plan. The total contribution for the year ended March 31, 2004 was \$23,482.

NOTE K – JOINT VENTURE:

Ishpeming Area Joint Wastewater Treatment Board

The City of Ishpeming and the Township of Ishpeming entered into an agreement on December 10, 1981 for the purpose of creating the Ishpeming Area Joint Wastewater Treatment Board (Board). The Board shall design, construct, operate and maintain a joint wastewater treatment plant and related facilities. Unless otherwise agreed by the City and Township, the Board shall not levy or assess user charges, sewer rates, or fees directly against individual users of the wastewater treatment plant, but shall instead be reimbursed by contract payments from the City and Township. The City and Township shall be responsible for collecting user charges, sewer rates, fees, penalties and the like from their respective residents and users of the system.

The City utilizes the equity method of accounting for the activity in its investment in the Facility. Under the equity method the investment is adjusted for any additional capital investments made and its proportionate share of the Facility's results of operations.

NOTE K - JOINT VENTURE (Continued):

A summary of condensed financial information of the Facility, in the aggregate, as of December 31, 2003, is as follows:

Assets	\$7,180,603
Liabilities	91,109
Equity - All local units	7,089,494
Operating Revenues	675,834
Operating Expenses	811,221
Other Income	27,871
Net Income (loss)	(107,516)
City's Share of Net Income (loss)	(79,567)

Marquette County Solid Waste Management Authority

In February 1990, the City of Ishpeming joined 21 other municipalities in the Marquette County Solid Waste Management Authority ("Authority"). The authority was created pursuant to Act 233 of 1955 to plan for, acquire, construct, finance, operate, maintain, repair and dispose of, whether by sale, lease, or otherwise, an Act 641 landfill, including all improvements, appurtenances, easements, accessory facilities and structure, equipment, and other property part of or incidental to the landfill sufficient to satisfy the requirements of, and function as a solid waste disposal area under Act 641 and to establish and administer procedures providing for the separation, recycling, recovery, conversion of solid waste to energy and for the disposition of such energy output and disposal at the site of Non-toxic Type II and Type III Solid Waste, to fund all of the above activities, to charge and collect fees in connection with the operation of the landfill and to provide for the reimbursement with receipt of bond proceeds to the City of Marquette and Sands Township of their respective costs and expenses incurred in connection with the establishment and administration of the Solid Waste Authority and the System Facility.

The Authority is governed by a Board of Trustees consisting of one(1) member (who shall be the Chairperson of the Board of Trustees) designated by the Sands Township Supervisor on behalf of the Sands Township, two (2) members designated by the Marquette City Commission; three(3) members designated by the Marquette County Board of Commissioners, and one resident of the City of Marquette appointed by other six Authority Board members. All decisions of the Board are made by majority vote, consisting of at least four of its members.

The City's share of assets, liabilities, and fund equity is 10.16 percent. Summary financial information as of and for the fiscal year ended June 30, 2003 is as follows:

Total Assets	\$12,216,894
Total Liabilities	2,302,341
Total Net Assets	9,914,553
Total Operating Revenues	2,557,446
Total Operating Expenses	1,841,275
Total Joint Venture's Outstanding Debt	1,315,000

The City of Marquette has pledged its full faith and credit for the Marquette County Solid Waste Management Authority Bonds, Series 1988. These bonds are payable from the net revenues of the Authority, as well as by each member of the Authority to the extent of their pro rata share of the principal and interest requirements on the bonds.

Marquette County issued the Marquette County Solid Waste System Bonds, Series 1991. These bonds are to be paid with a portion of tipping fees designated for bond repayment.

NOTE L – VESTED EMPLOYEE BENEFITS:

Employees can earn sick leave and vacation at various schedules dependent upon their length of employment. Upon retirement, death, termination or disability, employees or their estates are paid for all outstanding vacation and sick days accumulated at their current rate of pay.

	<u>Accrued Sick and Vacation</u>
Primary Government:	
Current portion	\$ -
Long-term portion	<u>53,175</u>
TOTAL	<u>\$53,175</u>

NOTE M – BUDGET VIOLATIONS:

Public Act 621 of 1978, Section 18(1), as amended, provides that a Township shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the County's actual expenditures and budgeted expenditures have been shown on an activity and/or program level.

The following activity and/or programs had excess expenditures over appropriations at March 31, 2004:

<u>Activity/Program</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Special Revenue:			
Streetlight Fund:			
Streetlight	\$ 28,500	\$ 30,474	\$ 1,974
Street Improvement:			
Streets	100,000	114,937	14,937
General Fund:			
General Services and Administration:			
Supervisor	13,499	13,915	416
Township Hall and Grounds	89,100	90,251	1,151
Other Expenditures:			
Fringe benefits	44,900	79,119	34,219
Miscellaneous	12,800	15,492	2,692
Transfer Out	96,000	97,000	1,000

REQUIRED SUPPLEMENTAL
FINANCIAL INFORMATION

Township of Ishpeming, Michigan

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended March 31, 2004

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 97,850	\$ 97,850	\$ 100,586	\$ 2,736
State sources	254,000	254,000	333,546	79,546
Charges for services	190,450	190,450	178,404	(12,046)
Interest	14,500	14,500	31,400	16,900
Other revenues	8,400	8,400	12,725	4,325
TOTAL REVENUES	565,200	565,200	656,661	91,461
EXPENDITURES:				
Legislative	13,700	13,700	6,295	7,405
Elections	3,200	3,200	62	3,138
General services and administration	185,847	185,847	179,748	6,099
Public safety	65,572	65,572	42,883	22,689
Public works	207,840	207,840	180,876	26,964
Health and welfare	-	-	-	-
Community and economic development	10,000	10,000	7,785	2,215
Recreation and culture	12,600	12,600	5,428	7,172
Other	77,700	77,700	109,511	(31,811)
Capital outlay	-	-	-	-
Debt service	-	-	-	-
TOTAL EXPENDITURES	576,459	576,459	532,588	43,871
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,259)	(11,259)	124,073	135,332
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	-	-
Operating transfers (out)	(96,000)	(96,000)	(97,000)	(1,000)
TOTAL OTHER FINANCING SOURCES (USES)	(96,000)	(96,000)	(97,000)	(1,000)
CHANGE IN FUND BALANCE	(107,259)	(107,259)	27,073	134,332
Fund balance, beginning of year, as restated	983,830	983,830	983,830	-
FUND BALANCE, END OF YEAR	\$ 876,571	\$ 876,571	\$ 1,010,903	\$ 134,332

The accompanying notes are an integral part of these financial statements.

Township of Ishpeming, Michigan

FIRE DEPARTMENT FUND

BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended March 31, 2004

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 121,500	\$ 121,500	\$ 130,479	\$ 8,979
State sources	-	-	-	-
Charges for services	43,008	43,008	47,046	4,038
Interest	6,000	6,000	7,826	1,826
Other revenues	700	700	-	(700)
TOTAL REVENUES	171,208	171,208	185,351	14,143
EXPENDITURES:				
Legislative	-	-	-	-
Elections	-	-	-	-
General services and administration	-	-	-	-
Public safety	145,857	145,857	106,358	39,499
Public works	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Recreation and culture	-	-	-	-
Other	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
TOTAL EXPENDITURES	145,857	145,857	106,358	39,499
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	25,351	25,351	78,993	53,642
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
CHANGE IN FUND BALANCE	25,351	25,351	78,993	53,642
Fund balance, beginning of year, as restated	302,603	302,603	302,603	-
FUND BALANCE, END OF YEAR	\$ 327,954	\$ 327,954	\$ 381,596	\$ 53,642

The accompanying notes are an integral part of these financial statements.

Township of Ishpeming, Michigan

STREET IMPROVEMENT FUND

BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended March 31, 2004

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP	Final Budget
			Basis	Positive
				(Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Charges for services	-	-	-	-
Interest	4,000	4,000	9,172	5,172
Other revenues	-	-	-	-
TOTAL REVENUES	4,000	4,000	9,172	5,172
EXPENDITURES:				
Legislative	-	-	-	-
Elections	-	-	-	-
General services and administration	-	-	-	-
Public safety	-	-	-	-
Public works	100,000	100,000	114,937	(14,937)
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Recreation and culture	-	-	-	-
Other	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
TOTAL EXPENDITURES	100,000	100,000	114,937	(14,937)
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	(96,000)	(96,000)	(105,765)	(9,765)
OTHER FINANCING SOURCES (USES):				
Operating transfers in	96,000	96,000	96,000	-
Operating transfers (out)	-	-	-	-
TOTAL OTHER FINANCING				
SOURCES (USES)	96,000	96,000	96,000	-
CHANGE IN FUND BALANCE	-	-	(9,765)	(9,765)
Fund balance, beginning of year, as restated	555,153	555,153	285,008	(270,145)
FUND BALANCE, END OF YEAR	\$ 555,153	\$ 555,153	\$ 275,243	\$ (279,910)

The accompanying notes are an integral part of these financial statements.

Other Supplemental Information

Township of Ishpeming, Michigan
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended March 31, 2004

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes:			
Current levy	\$ 76,350	\$ 79,383	\$ 3,033
Commercial forest reserve	3,000	2,860	(140)
Swamp tax	-	280	280
Tax collection fees	18,500	18,063	(437)
Total Taxes	<u>97,850</u>	<u>100,586</u>	<u>2,736</u>
State Sources:			
State revenue sharing	254,000	333,546	79,546
Total State Sources	<u>254,000</u>	<u>333,546</u>	<u>79,546</u>
Charges for Services:			
Sanitation services	170,000	156,988	(13,012)
Administrative services	15,500	16,000	500
Miscellaneous services	4,950	5,416	466
Total Charges for Services	<u>190,450</u>	<u>178,404</u>	<u>(12,046)</u>
Interest and Rents			
Interest	12,000	28,775	16,775
Rents	2,500	2,625	125
Total Interest and Rents	<u>14,500</u>	<u>31,400</u>	<u>16,900</u>
Other Revenues:			
Miscellaneous other	8,400	12,725	4,325
Total Other Revenues	<u>8,400</u>	<u>12,725</u>	<u>4,325</u>
TOTAL REVENUES	<u>565,200</u>	<u>656,661</u>	<u>91,461</u>
EXPENDITURES:			
LEGISLATIVE:			
Township Board:			
Personnel services	5,000	3,250	1,750
Other services and charges	8,700	3,045	5,655
TOTAL LEGISLATIVE	<u>13,700</u>	<u>6,295</u>	<u>7,405</u>
ELECTIONS:			
Personnel services	2,000	-	2,000
Supplies	900	62	838
Other services and charges	300	-	300
TOTAL ELECTIONS	<u>3,200</u>	<u>62</u>	<u>3,138</u>

Township of Ishpeming, Michigan
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended March 31, 2004

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
GENERAL SERVICES AND ADMINISTRATION:			
Supervisor:			
Personnel services	\$ 12,899	\$ 13,304	\$ (405)
Supplies		-	-
Other services and charges	600	611	(11)
Total Supervisor	<u>13,499</u>	<u>13,915</u>	<u>(416)</u>
Assessor:			
Personnel services	34,300	33,510	790
Supplies	2,400	521	1,879
Other services and charges	2,750	641	2,109
Total Assessor	<u>39,450</u>	<u>34,672</u>	<u>4,778</u>
Clerk:			
Personnel services	16,156	16,187	(31)
Supplies	-	-	-
Other services and charges	1,450	555	895
Total Clerk	<u>17,606</u>	<u>16,742</u>	<u>864</u>
Board of Review:			
Personnel services	600	-	600
Supplies	-	-	-
Other services and charges	100	-	100
Total Board of Review	<u>700</u>	<u>-</u>	<u>700</u>
Treasurer:			
Personnel services	16,412	16,388	24
Supplies	5,000	-	5,000
Other services and charges	4,080	7,780	(3,700)
Total Treasurer	<u>25,492</u>	<u>24,168</u>	<u>1,324</u>
Township Hall and Grounds:			
Personnel services	47,000	44,151	2,849
Supplies	11,000	8,900	2,100
Other services and charges	23,600	19,996	3,604
Capital outlay	7,500	17,204	(9,704)
Total Township Hall and Grounds	<u>89,100</u>	<u>90,251</u>	<u>(1,151)</u>
TOTAL GENERAL SERVICES AND ADMINISTRATION	<u>185,847</u>	<u>179,748</u>	<u>6,099</u>

Township of Ishpeming, Michigan
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended March 31, 2004

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
PUBLIC SAFETY:			
Police Department			
Personnel services	\$ 43,522	\$ 27,730	\$ 15,792
Supplies	1,500	1,239	261
Other services and charges	9,600	4,136	5,464
Total Police Department	<u>54,622</u>	<u>33,105</u>	<u>21,517</u>
Animal Control:			
Personnel services	9,100	8,476	624
Supplies	400	249	151
Other services and charges	1,450	1,053	397
Total Animal Control	<u>10,950</u>	<u>9,778</u>	<u>1,172</u>
TOTAL PUBLIC SAFETY	<u>65,572</u>	<u>42,883</u>	<u>22,689</u>
PUBLIC WORKS:			
Streets:			
Personnel services	-	-	-
Supplies	-	-	-
Other services and charges	25,000	-	25,000
Total Streets	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Sanitation			
Personnel services	8,100	6,183	1,917
Supplies	2,250	327	1,923
Other services and charges	157,215	150,307	6,908
Debt service	15,275	24,059	(8,784)
Total Sanitation	<u>182,840</u>	<u>180,876</u>	<u>1,964</u>
TOTAL PUBLIC WORKS	<u>207,840</u>	<u>180,876</u>	<u>26,964</u>
RECREATION AND CULTURE:			
Recreation			
Personnel services	3,800	2,212	1,588
Supplies	2,500	403	2,097
Other services and charges	6,300	2,813	3,487
TOTAL RECREATION AND CULTURE	<u>12,600</u>	<u>5,428</u>	<u>7,172</u>

Township of Ishpeming, Michigan
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended March 31, 2004

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
COMMUNITY AND ECONOMIC DEVELOPMENT			
Zoning:			
Personnel services	\$ 8,000	\$ 6,895	\$ 1,105
Supplies	1,000	890	110
Other services and charges	1,000	-	1,000
TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT	<u>10,000</u>	<u>7,785</u>	<u>2,215</u>
OTHER EXPENDITURES			
Fringe Benefits	44,900	79,119	(34,219)
Insurance and Bonds	20,000	14,900	5,100
Miscellaneous	12,800	15,492	(2,692)
TOTAL OTHER EXPENDITURES	<u>77,700</u>	<u>109,511</u>	<u>(31,811)</u>
TOTAL EXPENDITURES	<u>576,459</u>	<u>532,588</u>	<u>43,871</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(11,259)</u>	<u>124,073</u>	<u>48,190</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In:	-	-	-
Operating Transfers (Out):	(96,000)	(97,000)	1,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(96,000)</u>	<u>(97,000)</u>	<u>1,000</u>
CHANGE IN FUND BALANCE	(107,259)	27,073	49,190
Fund balance, beginning of year	983,830	983,830	-
FUND BALANCE, END OF YEAR	<u>\$ 876,571</u>	<u>\$ 1,010,903</u>	<u>\$ 49,190</u>

Township of Ishpeming, Michigan
MAJOR GOVERNMENTAL FUNDS
FIRE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended March 31, 2004

	2004		Variance with
	Final Budget	Actual GAAP Basis	Final Budget Positive (Negative)
REVENUES:			
Taxes:			
Current levy	\$ 119,500	\$ 124,355	\$ 4,855
Commercial forest reserve	2,000	6,124	4,124
Total Taxes	121,500	130,479	8,979
Charges for Services:			
Fire calls	43,008	47,046	4,038
Total Charges for Services	43,008	47,046	4,038
Interest:			
Interest income - investments	6,000	7,826	1,826
Total Interest	6,000	7,826	1,826
Other Revenue:			
Other Revenue	700	-	(700)
Total Other Revenues	700	-	(700)
TOTAL REVENUES	171,208	185,351	14,143
EXPENDITURES:			
Public Safety			
Fire Department:			
Personnel services	10,000	10,643	(643)
Supplies	5,000	6,118	(1,118)
Other services and charges	72,357	66,613	5,744
Capital Outlay	58,500	22,984	35,516
Total Fire Department	145,857	106,358	39,499
Total Public Safety	145,857	106,358	39,499
TOTAL EXPENDITURES	145,857	106,358	39,499
EXCESS OF REVENUES OVER			
(UNDER) EXPENDITURES	25,351	78,993	53,642
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
CHANGE IN FUND BALANCE	25,351	78,993	53,642
Fund balance, beginning of year	302,603	302,603	-
FUND BALANCE, END OF YEAR	<u>\$ 327,954</u>	<u>\$ 381,596</u>	<u>\$ 53,642</u>

Township of Ishpeming, Michigan
MAJOR GOVERNMENTAL FUNDS
STREET IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended March 31, 2004

	2004		
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Interest:			
Interest income - investments	\$ 4,000	\$ 9,172	\$ 5,172
Total Interest	4,000	9,172	5,172
Other Revenue:			
Other Revenue	-	-	-
Total Other Revenues	-	-	-
TOTAL REVENUES	4,000	9,172	5,172
EXPENDITURES:			
Public Works:			
Streets:			
Personnel services	-	-	-
Supplies	-	-	-
Other services and charges	-	-	-
Capital Outlay	100,000	114,937	(14,937)
Total Streets	100,000	114,937	(14,937)
Total Public Works	100,000	114,937	(14,937)
TOTAL EXPENDITURES	100,000	114,937	(14,937)
EXCESS OF REVENUES OVER			
(UNDER) EXPENDITURES	(96,000)	(105,765)	(9,765)
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	96,000	96,000	-
Operating Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	96,000	96,000	-
CHANGE IN FUND BALANCE	-	(9,765)	(9,765)
Fund balance, beginning of year	555,153	285,008	(270,145)
FUND BALANCE, END OF YEAR	<u>\$ 555,153</u>	<u>\$ 275,243</u>	<u>\$ (279,910)</u>

Township of Ishpeming, Michigan

NON-MAJOR
GOVERNMENTAL FUNDS

BALANCE SHEET

March 31, 2004

	Senior Citizen Fund	Capital Improvement Fund	Recreation Fund	Streetsight Fund	Budget Stabilization Fund	Special Revenue Fund Total Governmental Funds
ASSETS						
Cash and investments	\$ 1,260	\$ 91,906	\$ 33,097	\$ 38,552	\$ 167,509	\$ 332,324
Accounts receivable	-	-	-	1,479	-	1,479
Due from other funds	-	-	-	22,471	-	22,471
TOTAL ASSETS	\$ 1,260	\$ 91,906	\$ 33,097	\$ 62,502	\$ 167,509	\$ 356,274
LIABILITIES AND FUND BALANCE						
LIABILITIES:						
Accounts payable	-	-	-	2,471	-	2,471
Other liabilities	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	2,471	-	2,471
FUND BALANCE:						
Unreserved	1,260	91,906	33,097	60,031	167,509	353,803
TOTAL FUND BALANCE	1,260	91,906	33,097	60,031	167,509	353,803
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,260	\$ 91,906	\$ 33,097	\$ 62,502	\$ 167,509	\$ 356,274

Township of Ishpeming, Michigan

NON-MAJOR
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended March 31, 2004

	Senior Citizens Fund	Capital Improvement Fund	Recreation Fund	Streetsight Fund	Budget Stabilization Fund	Special Revenue Fund Total Governmental Funds
REVENUES:						
Property Taxes	\$ -	\$ -	\$ -	\$ 26,424	\$ -	\$ 26,424
Interest	8	2,245	1,002	1,398	7,878	12,531
Other	-	18,790	-	1,109	-	19,899
TOTAL REVENUES	8	21,035	1,002	28,931	7,878	58,854
EXPENDITURES:						
General government	-	-	-	-	-	-
Public Works	-	-	-	30,474	-	30,474
Community and Economic Development	-	-	-	-	-	-
Recreation and Culture	-	-	165	-	-	165
Capital outlay	-	3,882	-	-	-	3,882
Other Functions	-	-	-	-	-	-
TOTAL EXPENDITURES	-	3,882	165	30,474	-	34,521
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	8	17,153	837	(1,543)	7,878	24,333
OTHER FINANCING SOURCES (USES):						
Operating transfers in	1,000	-	-	-	-	1,000
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,000	-	-	-	-	1,000
CHANGE IN FUND BALANCE	1,008	17,153	837	(1,543)	7,878	25,333
Fund balance, beginning of year, as restated	252	74,753	32,260	61,574	159,631	328,470
FUND BALANCE, END OF YEAR	\$ 1,260	\$ 91,906	\$ 33,097	\$ 60,031	\$ 167,509	\$ 353,803

Township of Ishpeming, Michigan
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE
SENIOR CITIZENS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended March 31, 2004

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Interest:	\$ 10	\$ 8	\$ (2)
Other:	-	-	-
TOTAL REVENUES	<u>10</u>	<u>8</u>	<u>(2)</u>
EXPENDITURES:			
Community and Economic Development:			
Senior Citizens:			
Personnel services	-	-	-
Supplies	-	-	-
Other services and charges	150	-	150
Capital outlay	-	-	-
Total Senior Citizens	<u>150</u>	<u>-</u>	<u>150</u>
TOTAL EXPENDITURES	<u>150</u>	<u>-</u>	<u>150</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(140)</u>	<u>8</u>	<u>148</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	1,000	1,000	-
Operating transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>1,000</u>	<u>1,000</u>	<u>-</u>
CHANGES IN FUND BALANCE	<u>860</u>	<u>1,008</u>	<u>148</u>
Fund balance, beginning of year	<u>252</u>	<u>252</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 1,112</u></u>	<u><u>\$ 1,260</u></u>	<u><u>\$ 148</u></u>

Township of Ishpeming, Michigan
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE
CAPITAL IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended March 31, 2004

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Interest:	\$ 2,000	\$ 2,245	\$ 245
Other:	18,000	18,790	790
TOTAL REVENUES	<u>20,000</u>	<u>21,035</u>	<u>1,035</u>
EXPENDITURES:			
Capital Outlay:			
Capital Outlay:			
Personnel services	-	-	-
Supplies	-	-	-
Other services and charges	-	-	-
Capital outlay	10,000	3,882	6,118
Total Capital Outlay	<u>10,000</u>	<u>3,882</u>	<u>6,118</u>
TOTAL EXPENDITURES	<u>10,000</u>	<u>3,882</u>	<u>6,118</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>10,000</u>	<u>17,153</u>	<u>7,153</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCE	<u>10,000</u>	<u>17,153</u>	<u>7,153</u>
Fund balance, beginning of year	74,753	74,753	-
FUND BALANCE, END OF YEAR	<u>\$ 84,753</u>	<u>\$ 91,906</u>	<u>\$ 7,153</u>

Township of Ishpeming, Michigan
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE
RECREATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended March 31, 2004

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Interest	\$ 750	\$ 1,002	\$ 252
Other	50	-	(50)
TOTAL REVENUES	800	1,002	202
EXPENDITURES:			
Recreation and Culture:			
Recreation:			
Personnel services	-	-	-
Supplies	-	-	-
Other services and charges	-	-	-
Capital outlay	5,800	165	5,635
Total Recreation	5,800	165	5,635
TOTAL EXPENDITURES	5,800	165	5,635
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,000)	837	5,837
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-
CHANGES IN FUND BALANCE	(5,000)	837	5,837
Fund balance, beginning of year	32,260	32,260	-
FUND BALANCE, END OF YEAR	\$ 27,260	\$ 33,097	\$ 5,837

Township of Ishpeming, Michigan
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE
STREETLIGHT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended March 31, 2004

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes:			
Current levy	\$ 31,115	\$ 23,833	\$ (7,282)
Commercial forest reserve	-	2,591	2,591
Total Taxes	<u>31,115</u>	<u>26,424</u>	<u>(4,691)</u>
Interest:			
Investment interest	400	1,398	998
Total Interest	<u>400</u>	<u>1,398</u>	<u>998</u>
Other:			
Other revenue	1,200	1,109	(91)
Total Other	<u>1,200</u>	<u>1,109</u>	<u>(91)</u>
TOTAL REVENUES	<u>32,715</u>	<u>28,931</u>	<u>(3,784)</u>
EXPENDITURES:			
Public Works:			
Streetlights:			
Personnel services	-	-	-
Supplies	-	-	-
Other services and charges	28,500	30,474	(1,974)
Capital outlay	-	-	-
Total Streetlights	<u>28,500</u>	<u>30,474</u>	<u>(1,974)</u>
TOTAL EXPENDITURES	<u>28,500</u>	<u>30,474</u>	<u>(1,974)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,215</u>	<u>(1,543)</u>	<u>(5,758)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCE	<u>4,215</u>	<u>(1,543)</u>	<u>(5,758)</u>
Fund balance, beginning of year	<u>61,574</u>	<u>61,574</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 65,789</u>	<u>\$ 60,031</u>	<u>\$ (5,758)</u>

Township of Ishpeming, Michigan
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE
BUDGET STABILIZATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended March 31, 2004

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Interest	\$ -	\$ 7,878	\$ 7,878
Other	-	-	-
TOTAL REVENUES	-	7,878	7,878
EXPENDITURES:			
Other Functions:			
Other Functions:			
Personnel services	-	-	-
Supplies	-	-	-
Other services and charges	-	-	-
Capital outlay	-	-	-
Total Other Functions	-	-	-
TOTAL EXPENDITURES	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	7,878	7,878
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-
CHANGES IN FUND BALANCE	-	7,878	7,878
Fund balance, beginning of year	159,631	159,631	-
FUND BALANCE, END OF YEAR	<u>\$ 159,631</u>	<u>\$ 167,509</u>	<u>\$ 7,878</u>

Township of Ishpeming, Michigan

FIDUCIARY FUNDS

COMBINING STATEMENT OF NET ASSETS

March 31, 2004

	Trust & Agency Fund	Tax Collection Fund	Total
ASSETS			
Cash and investments	\$ 1,200	\$ 265,003	\$ 266,203
Due from other funds	195	-	195
TOTAL ASSETS	\$ 1,395	\$ 265,003	\$ 266,398
LIABILITIES			
Due to other funds	\$ -	\$ 237,935	\$ 237,935
Due to others	1,395	27,068	28,463
TOTAL LIABILITIES	\$ 1,395	\$ 265,003	\$ 266,398

Compliance Supplements



ANDERSON, TACKMAN & COMPANY, P.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

JOHN W. BLEMBERG, CPA

ROBERT J. DOWNS, CPA, CVA

DANIEL E. BIANCHI, CPA

MICHIGAN
ESCANABA
IRON MOUNTAIN
KINROSS
MARQUETTE

WISCONSIN
GREEN BAY
MILWAUKEE

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Supervisor and Township Board of Trustees
Township of Ishpeming, Michigan

We have audited the governmental activities, business-type activities, major funds, and remaining fund information, which collectively comprise the basic financial statements of the Township of Ishpeming, Michigan as of and for the year ended March 31, 2004, and have issued our report thereon dated June 11, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*. These instances are described in a separate letter to Management dated June 11, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Charter Township of Chocolay's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk of material misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, and Township Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

Anderson, Tackman & Company, P.L.C.
Certified Public Accountants

June 11, 2004



ANDERSON, TACKMAN & COMPANY, P.L.C.

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Township of Ishpeming, Michigan Report to Management Letter For the Year Ended March 31, 2004

To the Honorable Supervisor and Township Board
Township of Township, Michigan
1575 U.S. Highway 41 West
Ishpeming, MI 49849

In planning and performing our audit of the financial statements of the Township of Ishpeming, Michigan for the year ended March 31, 2004, we considered its internal accounting control structure for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure. However, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to deficiencies in the design or operation of the internal control structure that, in our judgement, could affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Instances of Non-Compliance

Uniform Budgeting and Accounting Act (P.A. 621)

The State of Michigan has enacted Public Act 621, the Uniform Budgeting and Accounting Act, to provide for a system of uniform procedures for the preparation and execution of budgets in local units of government. The purpose of P.A. 621 is to require that all local units of government adopt balanced budgets, to establish responsibilities and define the procedure for the preparation, adoption and maintenance of the budget, and to require certain information for the budget process, including data for capital construction projects. The major provisions of P.A. 621 are as follows:

1. Local Units of government must adopt a budget.
2. The budget, including accrued deficits and available unappropriated surpluses, must be balanced.
3. The budget must be amended when necessary.
4. Debt shall not be entered into unless the debt is permitted by law.
5. Expenditures shall not be incurred in excess of the amount appropriated.
6. Expenditures shall not be made unless authorized in the budget.
7. Violations of the act, disclosed in an audit of the financial records, in the absence of reasonable procedures, shall be filed with the State Treasurer and reported to the Attorney General.

To the Honorable Supervisor and Township Board
Township of Township, Michigan
1575 U.S. Highway 41 West
Ishpeming, MI 49849

The Township was found to be in violation of the legal and contractual provisions of the Uniform Budgeting and Accounting Act (Public Act 621) in certain individual funds as enumerated upon in the Footnotes of the financial statements.

* * * * *

The above reportable conditions in the internal control and instances of non-compliance are noted for your consideration. The following comments are not reportable conditions as defined by the AICPA but are management points for which we feel consideration should also be given.

This report is intended solely for the information and use of the Township's management, and others within the Township Administration.

We appreciate and would like to thank the Township's staff for the cooperation and courtesy extended to us during our audit. We would be pleased to discuss any comments or answer any questions regarding our audit with you at your convenience.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

June 11, 2004



ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

JOHN W. BLEMBERG, CPA

ROBERT J. DOWNS, CPA, CVA

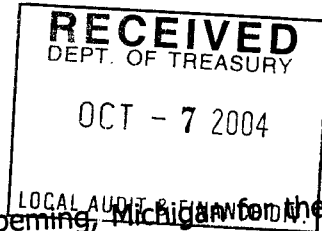
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MICHIGAN
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MARQUETTE

WISCONSIN
GREEN BAY
MILWAUKEE

June 11, 2004

To the Honorable Supervisor and Township Board
Township of Ishpeming, Michigan
1575 U.S. Highway 41 West
Ishpeming, MI 49849



We have audited the financial statements of the Township of Ishpeming, Michigan for the year ended March 31, 2004, and have issued our report thereon dated June 11, 2004. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of the organization. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of the accounting policies and their application. The significant accounting policies used by the organization are described in Footnotes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the organization during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

To the Honorable Supervisor and Township Board
Township of Ishpeming, Michigan

Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgement, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the organization's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by the organization, either individually or in the aggregate, indicate matters that could have a significant effect on the organizational financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether significant or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about accounting and auditing matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principal to the governmental unit's financial statements or a determination of the type of auditors' opinion to be expressed on those statements, our professional standards require the consulting accountant to advise us so as to determine the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the organizations auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in the performance of our audit.

Conclusion

This information is intended solely for the use of the Township Board and management of the Township and should not be used for any other purpose.

Anderson, Tackman & Company, PLLC
Certified Public Accountants